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Room 303 320 North Clark Street Chicago, Illinois 60610 (312) 744-9660 March 13, 1991

CONFIDENTIAL



RE: Conservation Community Council 91039.A

Dear

On March 1, 1991, you called on behalf of the Conservation Community Council for Lincoln Park. You stated in that telephone conversation that the conservation community councils are solely advisory and therefore its members should not be required to complete the Statement of Financial Interests. Upon review of your request, the Board determines that the councils are not City agencies as defined in the Governmental Ethics Ordinance and therefore its members are not subject to the provisions of the Ordinance.

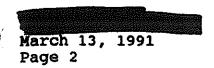
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The Governmental Ethics Ordinance, found in the City's Municipal Code, requires "each appointed official" to file a Statement of Financial Interests with our Board. An official is defined as "any person holding any elected office of the City or any appointed, non-employee member of any City agency." § 2-156-010(q). An agency is defined as "the City Council, any committee or other subdivision thereof, any City department or other administrative unit, commission, board, or other division of the government of the City." § 2-156-010(b).

There currently exists six conservation community councils, one each for the areas of Englewood, Hyde-Kenwood, Lawndale, Lincoln Park, Near Westside, North Kenwood-Oakland. A state statute, the Urban Renewal Consolidation Act of 1961, gives the City of Chicago's Urban Renewal Board the power to establish these blighted areas. ILL. ANN. STAT. The purpose of the ch. 67 1/2, para. 91.121. councils is to prevent slum and blight areas and assist with the area's redevelopment. Id. at 102. Once the Board establishes a blighted area, the State statute requires that it create a conservation community council for the area. It is the State statute that sets forth the powers and duties of the councils. Id.

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You explained that once an area is established, an additional property tax is imposed upon the homeowners in the area by the county. The county collects the tax monies and pays this to the Commission. It is out of these monies that the Commission disburses funds to the participants in the program and that it pays for its administrative costs. The City provides no money to the Commission.

The Board's determination of whether a commission or board is a City agency is made on a case-by-case basis, the Board looking at various facts.

The Home Equity Assurance Act specifically creates the Commission once the program is established, creates the Commission's powers and duties, and specifically reserves the establishment powers in the State. In addition, it receives no funding from the City. Based on these facts, the Board finds that the Home Equity Assurance Commissions are not City agencies. Therefore, the members of the Commission do not fall within the purview of the Governmental Ethics Ordinance.

Our determination and recommendations are based upon the facts as stated in this letter. If these facts are incorrect or incomplete, please notify us immediately, as any change may alter our decision. We appreciate your effort to comply with the ethical standards imposed by the Governmental Ethics Ordinance. If you have any further questions, please feel free to contact us.

Very truly your

Albert F. Hofel

Chairman

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cc: Kelly Welsh, Corporation Counsel